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13 UNITED STATES DISTRICT COURT  
14 FOR THE EASTERN DISTRICT OF WASHINGTON

15 KRISTY N. SLEEPER and RANDALL )

16 J. SLEEPER, wife and husband, )

17 Plaintiffs, )

18 vs. )

19 RENT RECOVER, LLC, a foreign )  
20 corporation; J. GREGORY )

21 LOCKWOOD and JANE DOE )

22 LOCKWOOD, husband and wife; )

23 CRYSTAL SALAS; JOSE SALAS; )

24 MICHAEL ROBB ENGBERG; and )

25 KAITLYN SNYDER, )

Defendants. )

Case No.: 2:14-CV-005-TOR

COMPLAINT

Plaintiffs Kristy N. Sleeper and Randall J. Sleeper, by and through their  
attorneys, Scott M. Kinkley of the *Northwest Justice Project*, and Kirk D. Miller of  
*Kirk D. Miller, P.S.* allege the following:

COMPLAINT -1-

Northwest Justice Project  
1702 W. Broadway  
Spokane, WA 99201  
(509) 324-9128

I. Summary of Complaint

The Defendants are third party debt collectors who, in the course of attempting to collect an alleged debt on behalf of the Plaintiff's former landlord, attempted to collect amounts not allowed by law or by contract.

II. JURISDICTION & VENUE

2.1. Jurisdiction of this Court arises under 15 U.S.C. §1692k(d), 28 U.S.C. §1337, and 28 U.S.C. §1331. Supplemental jurisdiction exists for state law claims pursuant to 28 U.S.C. §1367. Declaratory relief is available pursuant to 28 U.S.C. §2201 and §2202.

2.2. Venue is proper in this District under 28 U.S.C. §1391(b) because the Defendants conduct affairs and transact business in this District, a significant portion of the unlawful acts giving rise to this Complaint occurred in this District, and the Plaintiff resides within the territorial jurisdiction of the Court.

III. FEDERAL QUESTION  
SUBJECT MATTER JURISDICTION

3.1. Plaintiff Kristy Sleeper is a "consumer" as defined by the FDCPA, 15 U.S.C. §1692(a)(3).

3.2. Plaintiff Kristy Sleeper is a natural person, who resides in Spokane County, Washington.

1       3.3. Plaintiff Randall Sleeper is a “consumer” as defined by the FDCPA,  
2             15 U.S.C. §1692(a)(3).

3  
4       3.4. Plaintiff Randall Sleeper is a natural person, who resides in Spokane  
5             County, Washington.

6       3.5. Defendants alleged that Plaintiffs Kristy and Randall Sleeper were  
7             obligated to pay a debt.

8  
9       3.6. Defendants were each attempting to collect a “debt” as defined by  
10            FDCPA, 15 U.S.C. §1692(a)(5).

11       3.7. The alleged debt that Defendants Rent Recover, LLC and J. Gregory  
12            Lockwood were attempting to collect was an alleged obligation of the  
13            Plaintiff to pay money arising out of a transaction primarily for  
14            personal, family, or household purposes.

15  
16       3.8. Specifically, the money the Defendants attempted to collect from the  
17            Plaintiffs arose from an alleged breach of an apartment rental  
18            obligation.

19  
20       3.9. Defendant Rent Recover, LLC, is a “debt collector” as defined by the  
21            FDCPA, 15 U.S.C. §1692(a)(6).

22  
23       3.10. Defendant Rent Recover, LLC, is in the business of collecting debts.

24       3.11. Defendant Rent Recover, LLC, uses interstate commerce or the mails  
25            for the collection of debts.

1 3.12. Defendant Rent Recover, LLC, regularly collects or attempts to  
2 collect, directly or indirectly, debts owed or due, or asserted to be  
3 owed or due another using the telephone and mail.  
4

5 3.13. Defendant Rent Recover, LLC, communicated with the Plaintiff with  
6 the intent to collect a debt.  
7

8 3.14. Defendant J. Gregory Lockwood is a “debt collector” as defined by  
9 the FDCPA, 15 U.S.C. §1692(a)(6).  
10

11 3.15. Defendant J. Gregory Lockwood uses instruments of interstate  
12 commerce to collect debts.  
13

14 3.16. Defendant J. Gregory Lockwood uses the mail to collect debts.  
15

16 3.17. Defendant J. Gregory Lockwood regularly collects or attempts to  
17 collect, directly or indirectly, debts owed or due or asserted to be  
18 owed or due to another using the telephone and mail.  
19

20 3.18. Crystal Salas is a “debt collector” as defined by the FDCPA, 15  
21 U.S.C. §1692(a)(6).  
22

23 3.19. Jose Salas is a “debt collector” as defined by the FDCPA, 15 U.S.C.  
24 §1692(a)(6).  
25

3.20. Michael Robb Engberg is a “debt collector” as defined by the  
FDCPA, 15 U.S.C. §1692(a)(6).

1 3.21. Kaitlyn Snyder is a “debt collector” as defined by the FDCPA, 15  
2 U.S.C. §1692(a)(6).

3  
4 3.22. All charges that Defendants alleged that Plaintiffs owed were for  
5 personal, family or household purposes.

6 IV. PARTIES

7  
8 4.1. Now, and at all relevant times, Plaintiffs were residents of the state of  
9 Washington residing within the territorial jurisdiction area of the  
10 United States District Court for the Eastern District of Washington.

11 4.2. Defendant Rent Recover, LLC, is a Illinois corporation doing business  
12 in the Eastern District of Washington.

13  
14 4.3. According to the Washington Secretary of State website, Rent  
15 Recover, LLC become inactive and expired in October 2013.

16  
17 4.4. Defendant Rent Recover, LLC, is doing business as a “debt collector”  
18 in the Eastern District of Washington of the United States District  
19 Court as defined by the FDCPA, 15 U.S.C. §1692(a)(6).

20  
21 4.5. Defendant J. Gregory Lockwood is an attorney licensed in the state of  
22 Washington, engaged in the collection of debts within the state of  
23 Washington including Spokane County.

1 4.6. All acts alleged of J. Gregory Lockwood were done on his own  
2 behalf, on behalf of Defendant Rent Recover, LLC and on behalf of  
3 the marital community.  
4

5 4.7. Defendants Crystal Salas, Jose Salas, Michael Robb Engberg, and  
6 Kaitlyn Snyder are masquerading as Defendant Rent Recover, LLC.  
7

## 8 V. FACTS

9 5.1 On November 2, 2011, Plaintiffs Kristy and Randall Sleeper entered  
10 into a lease agreement with Sterling Holdings, LLC.  
11

12 5.2 On March 10, 2012, Plaintiffs notified Sterling Holdings, LLC  
13 (“landlord”) that they were terminating their tenancy.

14 5.3 On April 2, 2012, the Plaintiffs’ landlord sent the Plaintiffs two move-  
15 out statements, each dated March 14, 2012, explaining the charges  
16 against their deposit and requesting payment of the remaining balance.  
17

18 5.4 The first March 14, 2012, move-out statement requested a balance of  
19 \$796.18.  
20

21 5.5 The second March 14, 2012, move-out statement requested a balance  
22 of \$2,058.36.

23 5.6 The difference between the two statements was an “early termination  
24 fee of \$815.00.”  
25

1       5.7    The lease between the Plaintiffs and their landlord did not entitle the  
2            landlord to an “early termination fee.”

3  
4       5.8    The \$815.00 early termination fee is not an amount allowed by  
5            statute.

6       5.9    By text message the Plaintiff’s landlord explained the reason for the  
7            conflicting statements as, “I did two dispositions. I will send them  
8            both. One shows early termination fees, one does not. I would prefer  
9            to go the second route, but I will send both.”

10  
11       5.10   A true and correct copy of the March 14, 2012, statements are  
12            attached as Exhibit 1 and incorporated by reference as though they  
13            were fully set forth herein.

14  
15       5.11   On or about June 7, 2012, the Plaintiffs’ landlord assigned for  
16            collection an alleged remaining principle balance of “\$2,058.36” to  
17            Defendant Rent Recover.

18  
19       5.12   In mid to late June 2012, a collector from Defendant Rent Recover  
20            contacted Plaintiff Randall J. Sleeper at his work by representing to  
21            the receptionist that there was some sort of emergency.

22  
23       5.13   Mr. Sleeper is normally not allowed to take calls at work, but the call  
24            was put through to him based on the emergency representation. Mr.  
25            Sleeper had a newborn baby at the time.

1           5.14 The collector from Rent Recover demanded immediate payment of  
2                     \$2,058.36 or else they would file a lawsuit for even more money.

3           5.15 Plaintiff Randy Sleeper said he could not talk at work, gave the  
4                     collector his wife's number and hung up

5           5.16 The Rent Recover collector called Plaintiff Kristy Sleeper and  
6                     repeated her threat to file a lawsuit for more money if the Plaintiffs  
7                     did not immediately pay the \$2,058.36.  
8

9           5.17 The collector threatened Kristy Sleeper that Rent Recover "always  
10                    wins in court" and that they would "roll her over since she could not  
11                    afford an attorney."  
12

13           5.18 The Rent Recover collector was screaming during the phone call to  
14                    the point the speaker on Plaintiff Kristy Sleeper's became distorted  
15                    and her apartment neighbors on the adjoining balcony could hear the  
16                    conversation.  
17

18           5.19 The Plaintiffs refused to pay the inflated amount of \$2,058.36.  
19

20           5.20 Defendant Rent Recover did not send the Plaintiffs any written  
21                    communications before or after the collection phone calls, until the  
22                    Plaintiff was served with a state court complaint.  
23  
24  
25



1           5.21 On September 18, 2012, Kaitlin Snyder, an employee of Defendant  
2           Rent Recover, LLC, sent the landlord an email requesting “move in /  
3           out reports” which the landlord provided.  
4

5           5.22 On information and belief, an employee of Rent Recover contacted  
6           the landlord on September 18, 2012, and requested that she provide an  
7           “amended” move out report adding an additional \$1,630.00 as a  
8           “insufficient notice to vacate” fee.  
9

10          5.23 The lease between the Plaintiffs and the landlord does not provide for  
11          an “insufficient notice to vacate” fee.  
12

13          5.24 The “insufficient notice to vacate” fee is not an amount allowed by  
14          statute.  
15

16          5.25 On September 18, 2012, the landlord prepared an amended statement  
17          adding the additional amounts suggested by Defendant Rent Recover.  
18

19          5.26 No new assignment of the new alleged amount was executed.  
20

21          5.27 On October 30, 2012, Defendant J. Gregory Lockwood signed a  
22          complaint demanding the inflated amount of \$3,410.36.  
23

24          5.28 On January 4, 2012, Plaintiff Kristy and Randall Sleeper were served  
25          with a Spokane County District Court complaint demanding  
              \$3,410.36, alleged owed to a former landlord.

1           5.29 The state court complaint was signed by Defendant J. Gregory  
2                   Lockwood as attorney for Defendant Rent Recover, LLC.

3           5.30 A true and correct copy of the state court complaint is attached as  
4                   Exhibit 2 and incorporated by reference as though it were fully set  
5                   forth herein.

6           5.31 The demanded sum of \$3,410.36 included the “\$815.00 early  
7                   termination fee” and the \$1,630.00 “insufficient notice to vacate” fee,  
8                   neither of which was allowed for by statute or contract.

9           5.32 Defendants are illegally bringing and maintaining lawsuits in state of  
10                  Washington.

11                           VI. VIOLATION OF THE FDCPA 15 USC § 1692

12           6.1 Defendants Rent Recover, LLC and J. Gregory Lockwood each  
13                   violated 15 U.S.C. § 1692(e)(2)(A) by making false, deceptive and  
14                   misleading statements which falsely represented the character,  
15                   amount, or legal status of a debt.

16           6.2 Defendants Rent Recover, LLC and J. Gregory Lockwood each  
17                   violated 15 U.S.C. § 1692(e)(5) by threatening to take and taking  
18                   action which cannot lawfully be taken.

1           6.3    Defendants Rent Recover, LLC and J. Gregory Lockwood each  
2                   violated 15 U.S.C. § 1692(e)(10) by using false representations and  
3                   deceptive means to collect or attempt to collect a debt.  
4

5           6.4    Defendants Rent Recover, LLC and J. Gregory Lockwood each  
6                   violated 15 U.S.C. § 1692(f) by using unfair or unconscionable means  
7                   to collect or attempt to collect a debt.  
8

9           6.5    Defendants Rent Recover, LLC and J. Gregory Lockwood each  
10                  violated 15 U.S.C. § 1692(f)(1) by attempting to collect an amount not  
11                  expressly authorized by the agreement creating the alleged debt or  
12                  permitted by law.  
13

14                               VII.   VIOLATION OF THE WASHINGTON  
15                                       COLLECTION AGENCY ACT

16           7.1.   Defendant Rent Recover, LLC, is a “collection agency” as defined by  
17                   RCW 19.16.100.  
18

19           7.2.   Defendant Rent Recover, LLC is directly or indirectly engaged in  
20                   soliciting claims for collection, or collecting or attempting to collect  
21                   claims owed or due or asserted to be owed or due another person  
22

23           7.3.   The sole business of Defendant Rent Recover, LLC is the collection  
24                   of debts.  
25

1           7.4. Defendant Rent Recover, LLC attempts to collect the debts allegedly  
2           owed or due to another.

3  
4           7.5. Defendant Rent Recover, LLC is not licensed as a collection agency  
5           in the state of Washington.

6           7.6. Defendant Rent Recover, LLC violated the WCAA by engaging in  
7           practices prohibited by RCW 19.16.250 by:

8  
9           7.6.1. Communicating in writing with the Plaintiff through proper  
10           legal action, process, or proceeding where such communication  
11           is the first written communication with the debtor, without  
12           providing the information required by RCW 19.16.250(8)(c) in  
13           violation of RCW 19.16.250(9);

14  
15           7.6.2. Communicating with the Plaintiffs in a manner as to harass,  
16           intimidate, threaten, or embarrass the Plaintiffs in violation of  
17           RCW 19.16.250(13);

18  
19           7.6.3. Communicating with the Plaintiffs and representing that the  
20           existing obligation may be or has been increased by the  
21           addition of fees when such fees may not legally be added to the  
22           existing claim in violation of RCW 19.16.250(15);  
23  
24  
25

1 7.6.4. Communicating with the Plaintiffs and threatening to take  
2 action which could not legally be taken at the time the threat  
3 was made in violation of RCW 19.16.250(16); and  
4

5 7.6.5. Collecting or attempting to collect in addition to the principle  
6 amount of the claim a sum other than allowable interest,  
7 collection costs or handling fees expressly authorized by  
8 statute, and, in the case of suit, attorney's fees and costs.  
9

10 VIII. VIOLATION OF THE WASHINGTON  
11 CONSUMER PROTECTION ACT

12 8.1. A violation of the WCAA is a per se unfair or deceptive act or  
13 practice, occurring in trade or commerce, against the public interest  
14 and capable of repetition.  
15

16 8.2. The Consumer Protection Act of the state of Washington requires that  
17 all businesses abstain from unfair or deceptive practices or acts.  
18

19 8.3. Defendant Rent Recover, LLC by and through its agents and  
20 employees, its policies and procedures, has engaged in deceptive and  
21 unfair acts and practices that have caused injury to the Plaintiffs.  
22

23 8.4. Defendant Rent Recover, LLC has engaged in unfair and deceptive  
24 acts and practices in attempting to collect an unlawfully inflated  
25 alleged debt from the Plaintiff.

1 8.5. The conduct of Defendant Rent Recover, LLC occurred in trade  
2 and/or commerce.

3  
4 8.6. Defendant Rent Recover, LLC attempts to collect hundreds or  
5 thousands of alleged debts in the state of Washington each year.

6 8.7. The acts and practices of Defendant Rent Recover, LLC are capable  
7 of repetition and therefore affect the public interest.

8  
9 8.8. Defendant Rent Recover, LLC by and through its agents and  
10 employees, its policies and procedures, has engaged in deceptive and  
11 unfair acts and practices that have caused injury to the Plaintiff by  
12 causing Plaintiffs to incur cell phone charges, travel expenses,  
13 postage, and other expenses.

14  
15 8.9. Defendant Rent Recover, LLC engaged in unfair and deceptive acts  
16 and practices in attempting to collect an alleged debt from the  
17 Plaintiff.

18  
19 8.10. The conduct of Defendant Rent Recover, LLC occurred in trade  
20 and/or commerce.

21  
22 8.11. Collection of unlawfully inflated alleged debts is against public  
23 interest.

24 8.12. Unlawful and unfair debt collections are against public interest.  
25

1 8.13. The Defendants' actions were the direct cause of the Plaintiff's injury  
2 to Plaintiff's property. As a result of the Defendants' actions,  
3 Plaintiffs lost the use, possession and enjoyment of their property.  
4

5 8.14. The Defendants' actions were the direct cause of the injury to  
6 Plaintiffs' property.  
7

## 8 IX. DEMAND

9 WHEREFORE, Plaintiffs demand judgment as follows:

10 10.1 Actual damages; including but not limited to the amount of the  
11 wrongfully garnished funds, interest on the garnished funds, and  
12 emotional distress.  
13

14 10.2 Treble actual damages pursuant to RCW 19.86. *et seq.*;

15 10.3 Statutory damages pursuant to the FDCPA, 15 U.S.C.  
16 §1692k(a)(2)(A);  
17

18 10.4 Costs and reasonable attorney's fees pursuant to the FDCPA, 15  
19 U.S.C. §1692k(a)(3) and RCW 19.86, *et seq.*;

20 10.5 Prejudgment interest;  
21

22 10.6 Injunction prohibiting Defendants from collecting unlawfully inflated  
23 debts of Washington residents;

24 10.7 For such other and further relief as may be just and proper.  
25

1 DATED this 3<sup>rd</sup> day of January, 2014.

2  
3 *Northwest Justice Project*

*Kirk D. Miller P.S.*

4 /s Scott M. Kinkley  
5 Scott M. Kinkley  
6 WSBA # 42434  
Attorney for the Plaintiffs

7 /s Kirk D. Miller  
8 Kirk D. Miller  
9 WSBA # 40025  
10 Attorney for the Plaintiffs  
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